

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Greater Lawrence Sanitary District Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: February 27, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on January 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.0% to 6.75% and a revision to the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Alternative 2  
6.75% Investment Return  
9.733% total increasing until FY33 w/ final amort. in FY34

**GLSD Retirement System**  
**January 1, 2019 Actuarial Valuation**

Total appropriation increases 9.733% each year until FY33 with a final amortization payment in FY34

<b>Fiscal Year</b>	<b>Normal Cost</b>	<b>Net 3(8)(c)</b>	<b>Amort. of UAL</b>	<b>Total Cost</b>	<b>Unfunded Act. Liab.</b>	<b>% Total Cost Increases</b>
2020	268,823	30,000	58,123	356,946	2,667,553	
2021	280,920	30,000	80,767	391,688	2,787,528	9.733%
2022	293,562	30,000	106,249	429,811	2,892,193	9.733%
2023	306,772	30,000	134,872	471,644	2,977,581	9.733%
2024	320,577	30,000	166,972	517,549	3,039,144	9.733%
2025	335,003	30,000	202,920	567,922	3,071,678	9.733%
2026	350,078	30,000	243,120	623,198	3,069,249	9.733%
2027	365,831	30,000	288,023	683,854	3,025,097	9.733%
2028	382,294	30,000	338,120	750,413	2,931,548	9.733%
2029	399,497	30,000	393,954	823,451	2,779,896	9.733%
2030	417,474	30,000	456,123	903,598	2,560,289	9.733%
2031	436,261	30,000	525,284	991,545	2,261,591	9.733%
2032	455,892	30,000	602,159	1,088,052	1,871,236	9.733%
2033	476,407	30,000	687,544	1,193,952	1,375,062	9.733%
2034	497,846	30,000	781,848	1,309,694	757,130	9.694%
2035	520,249	30,000		550,249	0	-57.986%

Appropriation payments assumed to be made January 1 of each fiscal year.

Normal cost includes expenses of \$125,000 and is assumed to increase 4.5% per year.

FY20 amount maintained at level of current funding schedule.